The Oatly sustainability plan

The deep dive!

Prologue

Oatly is a company that was built on the belief that transformation of our food system is possible. Our mission is to make it easier for people to eat better and live healthier lives without recklessly taxing the planet's resources. We drive this change through the power of oats and through a significant reduction in cow's milk consumption.

Our products are a mechanism of change every time they replace cow's milk.[1] Research[2] shows that a dramatic change in the food system, with a significant shift to increased production and consumption of plant-based food and less animal-based food, is critical to tackle the interrelated challenges of climate change, ecosystem degradation, food insecurity and public health.

In 2021 we rolled out our previous sustainability plan. We set bold ambitions we hoped to achieve. We did great on some things, but not as great on others. For example, we met our target to eliminate production waste to landfill 5 years ahead of schedule. And we've increased our avoided emissions per liter since 2019. But in other areas like reducing our climate footprint, we realized we weren't going to reach our original target on schedule. Like every company that has a sustainability plan should, we are constantly evaluating how to do better. The world today is radically different than it was four years ago. During this time, we have learned as a company.

We envision a food system that is safe, delivers nutrition for all and that is resilient, fair, and just, and operates within the planetary boundaries - for the benefit of both people today and future generations. We believe that this is possible to achieve, but the climate crisis, the loss of biodiversity, the global health crisis and the impact of the food system on the lives of people everywhere are all interconnected, as must be our response to such complex challenges. **In recognition of this complexity and to align with current science and global expectations, Oatly has updated its Sustainability Plan to include not just revised climate commitments and associated targets but also impact commitments for Nature, People and Nutrition. All detailed pathways and climate transition plan will be published by the end of 2025. You can find them here in our Sustainability Plan Deep Dive. You can also go to www.oatly.com/sustainability-plan for an overview and highlights of our Sustainability Plan.**

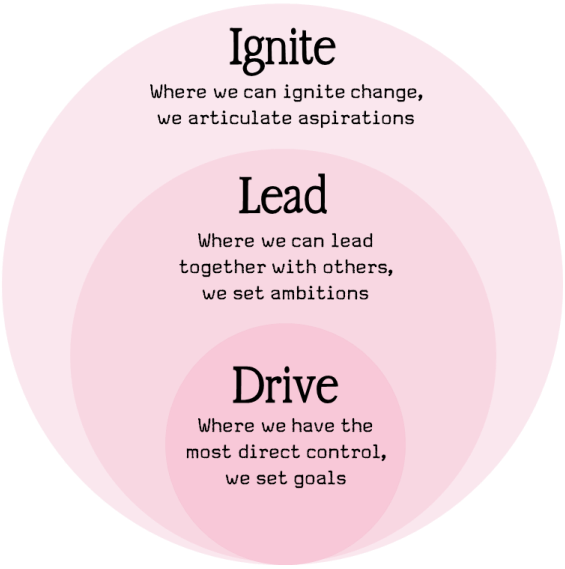
[1] https://blonksustainability.nl/news/LCAs-Oatly

[2] Schlesier et al., (2024) Measuring the Doughnut: A good life for all is possible within planetary boundaries; Sutton et al., (2024) Recipe for a Livable Planet; Biesbroek et al., (2023) Toward healthy and sustainable diets for the 21st century: Importance of sociocultural and economic considerations.; Jarmul et al., (2020) Climate change mitigation through dietary change; Willett et al., (2019) Food in the Anthropocene: the EAT–Lancet Commission on healthy diets from sustainable food systems.

The Deep Dive

We're broadening our sustainability work to better reflect the interdependence between **nutrition, people, nature** and **climate.** We recognize that the environmental crisis is a human rights crisis, and without addressing human rights issues we cannot address the environmental crises effectively and in a just way. They are interlinked, if it's not good for the planet, it cannot be good for people. In this deep dive, you will find our targets and pathways for each impact area.

Cross-cutting all impact areas, we are guided by our mission and approach our contribution to a more sustainable food system beyond our direct control, meaning we are intentional with our influence and aim to use it with determination. Our sustainability strategy considers three levels of influence, and we set goals, ambitions and aspirations accordingly.



Climate

Global challenges in the food system

Current global climate commitments are off track. And even if all these commitments were met, we would still be on the path for approximately 2.7 degrees Celsius (°C) warming by 2100 according to the IPCC[3] and recent scientific research.[4] We need to act faster. Climate solutions such as products or services that replace high-emission activities and products with low-emission alternatives are essential for decarbonizing our economies, ensuring that the world can reach the Paris Agreement targets.[5]

The global food system generates about a third of the world's total human-created climate impact and at the same time is adversely affected by climate change[6]. Land-based livestock are estimated to use 80% of all agricultural land[7] and 40% of total agricultural water use[8] and account for around 50%–60% of global greenhouse gas (GHG) emissions from the food system.[9,10] Livestock[11] has disproportionally larger impact than crops do, yet livestock only provides 17% of calories and 38% of protein.[12]

Oatly action

As the Original Oat Drink Company, Oatly is positioned at the forefront of this critical systemic change. By offering oat-based alternatives to dairy products, we provide a way to reduce the food sector's climate impact. Our products' lower climate impact has been evidenced by numerous independently assessed comparative studies on the climate impact of key Oatly products with their dairy counterparts that show Oatly products have approximately half (or less) the climate impact of dairy from cows.[13]

We are proud to announce that we are the world's first climate solutions company as part of a new framework designed to incentive and recognize climate mitigation beyond footprint reduction (read more under Frameworks on page 9 and 10). As a climate solutions company, one of the biggest impacts we can have is to grow and focus on a non-stop reduction of cow's milk consumption and mainstreaming plant-rich diets.

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[3] IPCC, 2021: Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Masson-Delmotte, V., P. Zhai, A. Pirani, S.L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M.I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T.K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, pp. 3-32, doi:10.1017/9781009157896.001

[4] UNEP (2024). Emissions Gap Report 2024. Available online: https://unepccc.org/emissions-gap-reports/
Climate Action Tracker (2024). Global Update - November 2024 - As the climate crisis worsens, the warming outlook stagnates. Available online: https://climateactiontracker.org/documents/1277/CAT_2024-11-14_GlobalUpdate_COP29.pdf

[5] IPCC, 2022: Summary for Policymakers. In: Climate Change 2022: *Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*[P.R. Shukla, J. Skea, R. Slade, A. Al Khourdajie, R. van Diemen, D. McCollum, M. Pathak, S. Some, P. Vyas, R. Fradera, M. Belkacemi, A. Hasija, G. Lisboa, S. Luz, J. Malley, (eds.)]. Cambridge University Press, Cambridge, UK and New York, NY, USA. doi: 10.1017/9781009157926.001.

6 Crippa, M., Solazzo, E., Guizzardi, D. et al. Food systems are responsible for a third of global anthropogenic GHG emissions. Nat Food 2, 198–209 (2021). https://doi.org/10.1038/s43016-021-00225-9

[7] Poore and Nemecek (2018) Reducing food's environmental impacts through producers and consumers

[8] Heinke, J. et al (2020). Water use in global livestock production—opportunities and constraints for increasing water productivity. Water Resources Research, 56(12)

[9] FAO (2022). GLEAM 3 Dashboard – Emissions.

[10] Xu, X., Sharma, P., Shu, S. et al. (2021). Global greenhouse gas emissions from animal-based foods are twice those of plant-based foods. Nat Food 2, 724–732.

11 Livestock: Meat, dairy and farmed fish

[12] Hannah Ritchie and Max Roser (2024) - "Half of the world's habitable land is used for agriculture" Published online at OurWorldinData.org. Retrieved from: https://ourworldindata.org/global-land-for-agriculture [Online Resource]

[13] https://blonksustainability.nl/news/LCAs-Oatly

Our Climate Commitment

We commit to reducing our climate intensity footprint to ensure that our products remain climate solutions in the milk category. Beyond our own value chain (GHG emissions, scopes 1, 2 and 3) we aspire to influence broader climate reductions in the food system and society (Spheres of Influence — approach under development[14]) contributing to societal net zero[15] by 2050.

In 2021, Oatly announced an ambition to reduce our climate footprint by 70% kgCO_2e/l by 2029 (baseline 2020) and to align with a 1.5 degree pathway. Since then, working with Ecoact, we have reviewed and aligned our ambition with the global Carbon Law concept, introduced by researchers from the Stockholm Resilience Centre in 2017. This Law proposes halving global emissions every decade to support the Paris Agreement's goal of limiting global temperature rise to 1.5°C above pre-industrial levels and achieving societal net-zero emissions. Ecoact's review indicated that our 2020 climate ambition was in fact more ambitious than the Carbon Law and was also not aligned with the Scope 3 science-aligned pathways of our key supply chain partners. In response, Oatly worked with Ecoact to realign our target and also to establish long term climate reduction targets, which were lacking in the 2021 ambition. These can be read in the in the table below. In addition, we have developed a clear climate reduction pathway for our five most material levers, ensuring we have actionable plans and the investments needed to reach our targets.

Oatly Greenhouse Gas Emissions (Scopes 1, 2 and 3)

In line with our commitment to reducing our climate emissions, we will focus on:

Goal, ambition or aspiration	**Target**
OATLY EMISSIONS (GHG PROTOCOL SCOPES 1–3)	
Goal – We drive progress: Reduce our total climate footprint in emissions per liter[16] from our 2020 baseline, aligned with the global carbon law concept and climate solutions framework.	40% reduction in climate emissions per liter of product (kg CO_2e/L) by 2030 (2020 baseline)[17] 70% reduction in climate emissions per liter of product (kg CO_2e/L) by 2040 (2020 baseline) 89% reduction in climate emissions per liter of product (kg CO_2e/L) by 2050 (2020 baseline) We commit to counterbalancing our residual emissions with durable removals from 2050 onwards. Investment in permanent removals outside our value chain (offsets) will commence by 2045 to ensure that we reach net zero by 2050.

[14] Is impact out of scope? A call for innovation in climate standards to inspire action across companies' Spheres of Influence: https://www.tandfonline.com/doi/full/10.1080/17583004.2024.2382995

[15] "Global/Societal Net Zero": condition in which anthropogenic are balanced by anthropogenic GHG removals over a specified time period, at global level. IPCC, 2023: Climate Change 2023: AR6 Synthesis Report. Reference: Intergovernmental Panel on Climate Change [Core Writing Team, H. Lee and J. Romero (eds.)]. IPCC, Geneva, Switzerland, 184 pp., doi: 10.59327/IPCC/AR6-9789291691647, modified: "metric-weighted" removed from before anthropogenic, "time" and "at global level" added.

[16] We set an intensity target, as we are a climate solutions company. For additional details, see our thought leadership paper published with EcoAct. https://info.eco-act.com/oatly-climate-solutions-framework-intensity-targets

[17] The climate targets align with the Climate Solutions Framework (CSF) and the global Carbon Law concept, introduced by researchers from the Stockholm Resilience Centre in 2017. This approach proposes halving global emissions every decade to support the Paris Agreement's goal of limiting global temperature rise to 1.5°C above pre-industrial levels and achieving societal net-zero emissions.

Pathway for Oatly climate footprint (GHG protocol scopes):

There are five principal levers that Oatly can maneuver to achieve desired GHG emissions reductions: oat sourcing, energy use, transport, packaging and rapeseed oil sourcing. Our climate reduction pathway focuses on these and includes the following targets:

- By 2050, we will transition enough oat growers to regenerative agriculture to produce the equivalent of 100% of Oatly's supply, reducing the net GHG emissions of oats in Oatly's supply sheds by 94% (GHG protocol Scope 3 emissions).
- By 2040, we will source 100% renewable energy (both electricity and thermal heat) for our production and continue to reduce energy consumption (kwh/L of Oatly produced) (GHG protocol scopes 1 & 2 GHG for Oatly-operated factories, Scope 3 emissions for our co-manufacturing production partners). We will focus on Europe in the short term, with interim goals of 100% renewable energy (electric + thermal) in Europe by 2030 and North America by 2035.
- By 2040, we will shift to 100% sustainable ground transportation for our products and materials, employing electric vehicles, rail or vehicles using renewable fuels (GHG protocol Scope 3 emissions).). We will focus on Europe in the short term, with interim goals of 100% sustainable ground transportation in Europe by 2030 and North America by 2035.
- By continuing to work with partners that share our sustainability values and goals, we will also reduce our GHG emissions from ocean freight, packaging and rapeseed oil (GHG protocol Scope 3 emissions).

This pathway is based on our assessment in 2024 of the actions we can take to deliver to our climate targets. We acknowledge that there is a slight gap between what we believe we can achieve through known actions and our climate target at 2050 (83% v 89% GHG emission reduction). We commit to the 89% reduction required by science and trust that more levers will become available to achieve that reduction within the next 25 years. For additional details, see our thought leadership paper published with EcoAct.

Oatly Spheres of Influence (global GHG emissions):

In line with our commitment to influence broader climate action in the food system and society and contribute to societal net zero, we will focus on:

Goal, ambition or aspiration	**Targets**
GLOBAL GHG EMISSIONS (SPHERES OF INFLUENCE)	
Climate solutions products (PRODUCT SPHERE) Our products are a mechanism of change: By harnessing our science-based knowledge and the **power of oats**, we create and offer delicious climate solutions that make it easier for people to shift away from dairy consumption. By disrupting and replacing cow's milk, Oatly contributes to the societal transition to net	By 2050, 90% of revenue is from products that have 90% less climate emissions than the average of the "milk" category[19] in the countries where we operate. Our interim targets, with 90% of our revenue from products

[19] Weighted average of the different drinks alternatives in the market, plant-based drinks and cow's milks according to their share in the market. This is also referred to as "BAU" in Exponential Roadmap Initiative Climate Solutions Framework.

zero emissions. We use our products to raise awareness about the impact of food and aim to normalize plant-based eating. AMBITION: We lead together with others. Our ambition is that our products (on aggregate) and company continue to qualify as climate solutions and climate solutions provider[18] delivering impact through avoided emissions every time they replace cow's milk. To drive this impact, we continue to focus on non-stop reduction of cow's milk consumption through conversion to Oatly, in addition to reducing our own climate footprint.	• 60% less climate emissions than the average of the "milk" category in the countries where we operate in 2030 • 75% less climate emissions than the average of the "milk" category in the countries where we operate in 2040 Conversion: To drive impact in the dairy category, we annually measure conversion from cow's milk to Oatly in our key markets. Avoided emissions:[20] We aspire to maintain conversion from cow's dairy to Oatly resulting in at least 0.5 kgCo2e avoided emissions per liter sold. In addition, to capture our impact, we annually report our absolute avoided emissions.
Impact through Leverage (PORTFOLIO SPHERE) By reducing the net GHG emissions of Oats in Oatly's supply sheds by 94% by 2050 (Scope 3), we will model regenerative agriculture leadership and bring our expertise to landscape-level, multi-stakeholder collaborations [21] across supply regions shared with other brands. AMBITION: We lead together with others. Our ambition is to deploy resources and forge strategic partnerships with millers, farmers, researchers, advocates and like-minded companies to scale regenerative agriculture practices that mitigate climate change and build a food system that nourishes the planet without leaving anyone behind.	Together with peer companies in the supply region, we will increase the share of crops grown with regenerative agriculture practices that enter our key suppliers' mills. *Targets will be set as part of ongoing work developing multi-stakeholder collaborations in support of the regenerative agriculture transition.* Support multi-crop regenerative agriculture partnerships that transition acres within shared supply regions, contributing to reduced emissions by 2035. *Targets will be set as part of ongoing work developing multi-stakeholder collaborations in support of the regenerative agriculture transition.*
Engaging a movement (POLICY SPHERE) ASPIRATION: We work to ignite change. At Oatly, we use influence with purpose. We aspire to use Oatly's voice, partnerships and advocacy to challenge outdated norms, break down regulatory barriers and push for fair market conditions for a plant-centric food system that operates within the planetary boundaries. Real change happens when people come together. By standing alongside and empowering activists, businesses, policymakers,	By 2030, we will aspire to secure policy advancements in at least 50% of our prioritized policy areas that align with our business mission, and use our voice, actions and products to engage key stakeholders driving societal change and accelerating the shift to a plant-centric food system.

[18] According to the criteria established by the Exponential Roadmap Initiative, a UN Race to Zero Partner: https://exponentialroadmap.org/climate-solutions-framework/.
[20] How companies can leverage avoided emissions to drive transformation + accelerate global decarbonization - Quantis
[21] ISEAL defines the landscape approach as" a management approach focused on multi-stakeholder collaboration to advance shared sustainability goals and build resilience at landscape scale."

researchers, health care professionals, farmers and consumers, we amplify a movement that drives societal change and safeguards the planetary conditions that future generations will depend on.	

Key initiatives for Oatly Spheres of Influence (GLOBAL GHG EMISSIONS)

Based on Oatly's climate solution product offering, position in oat agriculture and strong brand voice and network, below are some key initiatives where we act to influence, beyond our GHG emissions, contributing to societal net zero.

- PRODUCT SPHERE: Use Oatly products to do the following:
    - Aspire to drive non-stop reduction of cow's milk consumption by replacing dairy from cows with nutritious, delicious climate-solution (as defined by ERI CSF) Oatly products, powered by oats.
    - Continue to increase knowledge and understanding of the impact of food through publishing our Product Climate Footprint on packs.
    - Continue to change food norms by spreading awareness, getting Oatly (and other plant-based options) included in public catering and school milk schemes and into the hands of policymakers — demonstrating how product innovation and consumer choice can challenge outdated norms and drive sustainable shifts in the food system.
- PORTFOLIO SPHERE: Leveraging our position in oat agriculture to invest and influence a broader regenerative agricultural shift.
    - Engage in large-scale, multi-crop collaborations with mission-aligned partners, including producers, suppliers, researchers, advocates and other brands. Within such collaborations we will share both the costs and credit for the regenerative transition at scale.
    - Make Oatly's regenerative agriculture framework, known as FARM, and associated best practice available as an open source for other brands and aggregators to adopt.
    - Utilize new technology to share stories and communicate with Oatly's brand voice some of the unique characteristics of farms that are managed for nature positivity and reduced climate impact to build consumer awareness, and incentivize other brands to do the same.
    - Support cutting-edge research on soil health and soil microbial biodiversity, which is essential for crop nutrient density, by partnering with leading researchers and deploying emerging scientific tools
- POLICY SPHERE: Use Oatly's brand voice and network to influence and advocate for change, which enables and sustains a transition to a just, fair and plant-centric food system (Policy & Engagement Sphere).
    - Advocate for climate labeling for all food and drink, raising societal awareness of the climate impact of our food choices.
    - Counter misinformation and polarization, especially regarding plant-rich diets, with robust and impartial scientific evidence: We're here to challenge myths and set the record straight, with science and transparency.
    - Push for dietary guidelines, labels and rules that make healthy, sustainable eating easy and plant-based food options easier to choose.

- Advocate for sustainable and resilient food systems, regenerative agriculture and food security.
- Advocate to change taxation to help "level the playing field," making plant-based options more affordable and backing healthy plant-rich diets.

NEW FRAMEWORKS

When developing Oatly's climate commitments and targets, we have been using either of two newly created frameworks. We want to be a thought leader in our industry, showcasing new ways forward for a more holistic approach to climate impact.

1. Climate Solutions Framework

Developed by the Exponential Roadmap Initiative (ERI) in collaboration with Oxford Net Zero (the University of Oxford's Net Zero initiative) is a newly established framework designed to accelerate climate action by identifying and scaling products and services that significantly reduce emissions compared with market alternatives. The framework defines and qualifies both climate solution products and climate solution companies against safeguards.

In 2024, ERI qualified Oatly's products as climate solutions, and with the launch of our long-term climate targets, Oatly now qualifies as a climate solutions company.

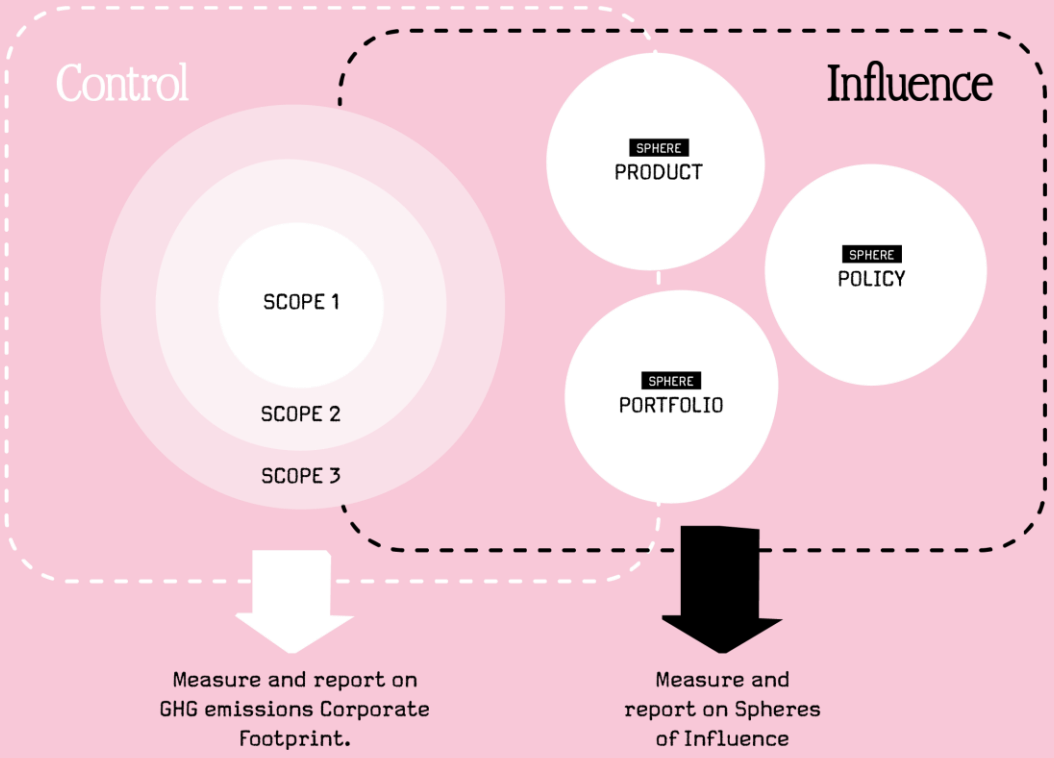
In appendix A "Becoming a Climate Solutions Company" you can find more details about the criteria and how Oatly fulfills them.

2. Spheres of Influence *Draft* Framework

As essential as it is for a company to reduce its corporate GHG emissions (scopes 1–3), based on current climate commitments, the world is significantly offtrack in its trajectory to limit global warming to 1.5 degrees C. All companies need to step up and use their influence to drive climate action far beyond their own operations.

Futerra and Oxford Net Zero are developing the Spheres of Influence framework: a strategic base and enabler for companies to set targets and measure and report impact across spheres of influence connected to policy, product and portfolio investments, supporting companies to define their contribution to societal net zero. The Spheres of Influence can sit alongside, but separate from, the existing scopes. The new Spheres approach does not in any way suggest moving away from any existing net-zero regulatory expectations, voluntary standards or disclosure.

True to the Oatly mission, our climate action has always reached beyond reducing our own climate emissions (GHG scopes 1 to 3) to having a broader climate impact on the food systems, although formalizing, measuring and tracking our climate impact beyond scopes 1–3 has not been straightforward. Therefore, we welcome the development of this framework and have partnered with Futerra and Oxford Net Zero to pioneer the Spheres of Influence framework. Having integrated Spheres into our climate strategy, we are supporting the framework's development while reinforcing Oatly's role in contributing toward societal net zero through our climate commitment and annual reporting. As the framework continues to evolve and be refined, we commit to further refine of our Spheres' strategy and, more specifically, measurement and tracking.



Nature

Global challenges in the food system

The food & beverage sector has profound impacts on ecosystems. The expansion of food production and concomitant land use change is the leading cause of habitat destruction, driving deforestation, biodiversity loss and harmful GHG emissions.[22] Globally, agriculture uses 70% of the world's freshwater resources.[23] Farming practices and the production, distribution, consumption and disposal of food and drink products, when managed unsustainably, can degrade natural capital and erode ecosystem services. In contrast, well-managed natural assets can enhance critical ecosystem services such as fresh-water provision, climate regulation and soil fertility on which we depend.[24]

Oatly action

Our double materiality assessment points to the areas where Oatly has its most material impacts and faces the most nature-related risks, as well as where we have the most dependency on nature's services. For us, this is primarily in the oat fields that supply our most important ingredient: oats. Agricultural landscapes, where not only oats but many rotational crops are also grown, hold the potential to restore soil health, increase soil microbial biodiversity, benefit habitat and improve water quality. To achieve impact at scale in these shared agricultural landscapes will require holistic, multi-stakeholder approaches paired with advocacy to align policies and financing in support of regenerative, plant-centric food systems.

As a beverage company, water withdrawal at factories that make our products is also a material impact. As we work to reduce our withdrawal on a per liter of product basis, and continue to meet water quality requirements for discharge, we will also continue to assess if there is particular water stress risk at any of our factory sites and, if so, propose to contribute to local water stewardship efforts to ensure fairness to other stakeholders sharing that common resource. We will also continue to be responsible stewards of environmental resources, committed to reducing waste, improving the circularity of our packaging and repurposing as much of our byproduct as possible.

Our Nature Commitment

We commit to investing in the transition to regenerative agriculture, which supports land and water stewardship, and to actions on water, waste and packaging that minimize our contribution to the worldwide loss of nature.

[22] Benton, T. G., Bieg, C., Harwatt, H., Pudasaini, R., & Wellesley, L. (2021). Food system impacts on biodiversity loss. Three levers for food system transformation in support of nature. Chatham House, London, 02-03. Available online: https://www.chathamhouse.org/sites/default/files/2021-02/2021-02-03-food-system-biodiversity-loss-benton-et-al_0.pdf
[23] FAO (2021) AQUASTAT – FAO's Global Information System on Water and Agriculture. Available online: https://www.fao.org/aquastat/en/overview/methodology/water-use
[24] Natural Capital Coalition (2016) "Natural Capital Protocol – Food and Beverage Sector Guide". Available online: www.naturalcapitalcoalition.org/protocol

In line with our commitment, we will focus on:

Goal, ambition or aspiration	Target
GOAL: We drive progress. To minimize our contribution to the worldwide loss of nature, including deforestation, biodiversity loss and water scarcity, we focus on water, waste and packaging used in our factories and for our products.	Reduce water withdrawal at Oatly-operated factories to 2.2 liters of water per liter of Oatly produced by 2030, a reduction of 50% from our 2019 baseline. Continue to assess factory sites against water risk and prioritize the most critical locations for water stewardship contribution. We will expand our waste tracking to include waste generated at both factories and warehouses. By 2030, we will reduce total waste by half from a 2025 baseline and eliminate waste to landfill through reuse, recycling composting or converting the rest to energy. 100% of oat fiber residue used to feed humans by 2040. Reduce packaging material without compromising food safety. Keep packaging materials in use by aligning with recycling infrastructures. Use only renewable or recycled materials (packaging targets to be set by 2026).
AMBITION: We lead together with others. We commit to investing in the transition to regenerative agriculture, which supports land and water stewardship.	We will invest in regenerative agriculture practices across the equivalent of a third of our oat supply acres by 2030, 90% of our oat supply acres by 2040, and 100% of our oat supply acres by 2050.[25] Together with peer companies in the supply region, increase the share of crops grown with regenerative agriculture practices that enter our key suppliers' mills (target to be set by 2026). Improve water quality on farms in oat supply sheds (target to be set by 2026). Improve soil microbial biodiversity on farms in oat supply sheds (target to be set by 2026).
ASPIRATION: We work to ignite change. We advance nature positivity at scale through multi-stakeholder collaborations.	Establish or join two landscape-level multi-stakeholder collaborations by 2026.

We intend to complete our nature impact pathway development in 2025 and finalize targets in 2026.

[25] Global oat production today is roughly 19.5 million metric tons, the vast majority of which is grown in conventional industrial agriculture systems. Oatly's purchase represents approximately 0.6% of that, but we are on track to source the equivalent of nearly 40% of our oat supply regeneratively by 2030. Taken together, these figures demonstrate both our leadership in the regenerative oat agriculture sector and the potential for us to influence the transition of a much larger piece of the sector through sharing our tools and learnings, together with collaboration with other industry actors.

People

Global challenges in the food system

The world's population is expected to grow to about 9.7 billion by 2050,[26] and demand on global food systems intensifies every day. The effects of climate change and other environmental degradation ultimately impact food security, causing disruption to production, availability, stability and access.[27] Additionally, the way the current food system operates is further exacerbating human rights abuses.[28] Globally, the low prices and wages food producers receive, coupled with inadequate social protection, social exclusion and lack of access to education, health care and nutritious food, are driving poverty, child labor, forced labor and poor working conditions.[29] However, transforming our food and agriculture systems to make them sustainable, resilient and inclusive will deliver access to healthy and nutritious foods, help create livelihoods for small-scale producers and processors, and help protect ecosystems and combat climate change.[30]

Oatly action

While value chains vary in their complexity and the nature and severity of their impacts, every company has a responsibility to manage its own risks to people across its operations. At Oatly, we continuously consider our risks and our impacts, and where we can aim to have lasting positive impact.

This requires that we understand how the work we do to bring plant-based goodness to more people connects to the broader, complex food system so we can begin to unpack what contributions Oatly can make to mitigating negative impacts and seizing on opportunities to advance human rights within our value chain. Our commitments reflect the critical importance of the safety, health and well-being of our employees who bring Oatly products to the world. They also emphasize how we simply wouldn't exist without the farmers who cultivate the oats and other key ingredients that we need for our products. Finally, we understand the significance of the human experience across our value chain and work to make sure we are engaging with communities that may be impacted (positively or negatively) by our efforts to bring Oatly to the world.

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[26] United Nations in Ritchie, H., & Rodés-Guirao, L., (2024) "Peak global population and other key findings from the 2024 UN World Population Prospects" Available online: https://ourworldindata.org/un-population-2024-revision

[27] Farooq, M. S., Uzair, M., Raza, A., Habib, M., Xu, Y., Yousuf, M., ... & Ramzan Khan, M. (2022). Uncovering the research gaps to alleviate the negative impacts of climate change on food security: a review. Frontiers in plant science, 13, 927535. https://www.frontiersin.org/journals/plant-science/articles/10.3389/fpls.2022.927535/full#h4

[28] ILO (2021). **"Agriculture: a hazardous work" Available online:** https://www.ilo.org/resource/agriculture-hazardous-work-0 **ILO Walk Free, and International Organization for Migration (2022).** Global Estimates of Modern Slavery: Forced Labour and Forced Marriage. Available online: https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_norm/%40ipec/documents/publication/wcms_854733.pdf

[29] ILO (2025). Global Wage Report. Available online: https://www.ilo.org/sites/default/files/2025-02/GWR-2024_Layout_E_RGB_Web.pdf
UN Global Compact (n.d.). "Poverty". Available online: https://unglobalcompact.org/what-is-gc/our-work/social/poverty

[30] UN Global Compact (n.d.). "Promote sustainable food and agriculture systems". Available online: https://unglobalcompact.org/what-is-gc/our-work/environment/food-agriculture

Our People Commitment

We exist because of the humans who create and consume Oatly products. We protect and support people to thrive throughout our value chain.

In line with our commitment, we will focus on:

Goal, ambition or aspiration	Targets
GOAL: We drive progress. Be a great place to work, where people learn, grow and thrive on the job.	100% of Oatly employees committed to their personal development shall have an active development plan in place to support their own growth journey by Q1 2028
GOAL: We drive progress. We are both empowered to take responsibility for our own well-being and equipped to build resilience.	During 2025, we will explore further how we can best track and measure this goal in the most meaningful way. We intend to finalize targets by Q3 2026.
GOAL: We drive progress Our workplaces are safe, diverse and equitable.	Teams across Oatly reflect the diversity of the countries in which they operate, and the decision-making forums will reflect the Oatly organization by 2027.
	We are committed to achieving balanced gender representation across our company.
	Roll out of five pay transparency initiatives to build trust in employees being awarded fairly and equitably by 2026.
GOAL: We drive progress We foster a thriving, sustainable workplace via our SHE culture of care values.	Elevate Safety, Health and Environment (SHE) standards, reflecting our core values, behaviours, and overall well-being. We achieve this through comprehensive training and development programs accessible to all — whether factory workers, office staff, remote employees or Oatly travellers. We are dedicated to fostering a culture where safety and health are fundamental to our work mindset.
AMBITION: We lead together with others. We will financially support oat farmers in priority supply sheds to transition to regenerative practices.	Invest in farmer access to technical assistance programs to improve social and economic outcomes in priority supply sheds. By 2030 we will financially support at least 100 oat farmers in priority supply sheds to transition to regenerative practices.
AMBITION: We lead together with others. We will advance environmental and social sustainability standards for partners and suppliers in our value chain while continually monitoring and supporting responsible sourcing practices.	Develop and establish a framework for measuring, mitigating and managing our priority human rights risks for workers within our supply chain.

ASPIRATION: We work to ignite change. We will engage and collaborate with our allies and affected communities, which may include baristas, lawmakers, factory communities, consumers and beyond, to improve economic, social and environmental health for both themselves and their communities.	To be defined through stakeholder engagement in 2025.

To support us in tracking and measuring our progress in goals connected to our own workforce, we are currently exploring a new engagement survey tool, which we intend to use for multiple goals and to finalize detailed targets by 2026.

Nutrition

Global challenges in the food system

According to the World Health Organization (WHO) and the Food and Agriculture Organisation (FAO), 'sustainable healthy diets' are those that provide adequate, safe, diversified and nutrient rich food within sustainable production and consumption patterns[31]. Our current food system has evolved over the last century, making great progress in some areas such as agricultural productivity, food safety, affordability and female emancipation[32]. Yet, the current system is not meeting the nutritional needs of present or future generations. There has been a sustained trend towards an overabundance of convenience foods high in saturated fat, sugar and salt but low in fiber[33], and a dominance of animal-based foods over plant-based ones. High global demand has led to widespread intensification of animal production[34] and excessive animal food consumption[35] [36]. According to the Lancet's 2024 report on health and climate change, it is estimated that the global average consumption of red meat and dairy products contributed to 11.2 million deaths attributable to unhealthy diets in 2021 while contributing to a 2.9% increase in agricultural GHG emissions since 2016[37]. Beyond emissions, intensive animal production has negative implications for animal welfare and food safety resilience (e.g. antibiotic resistance, zoonotic disease).

[31] FAO and WHO. 2019. Sustainable healthy diets – Guiding principles. Rome. https://iris.who.int/bitstream/handle/10665/329409/9789241516648-eng.pdf?sequence=1. (Accessed Aug 2025).
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[36] Aiking H, de Boer J. (2020). The next protein transition, Trends in Food Science & Technology.105, 515-522.
[37] Romanello et al. (2024). The 2024 report of the Lancet Countdown on health and climate change: facing record breaking threats from delayed action, The Lancet, Volume 404, Issue 10465, 1847-1896.

Structurally, our food system is framed by outdated policies, rules and regulations that favour the status quo, namely a systemic over reliance on animal-sourced foods. To reverse this trend, we urgently need radical systemic change in how food is produced, regulated and consumed, including a rapid transition to plant-centric food systems that are built to ensure resilience, security and sustainability for generations to come[38 39 40 41]. Scientific evidence supporting a shift towards plant-rich diets is only getting stronger[42 43 44]. A diet rich in polyunsaturated fats and wholegrains, such as the one that can be achieved through a plant-rich diet, has been shown to be protective and reduce the risk of disease[45]. Furthermore, one of the most overlooked aspects in public health is the persistent "fiber gap". Despite clear recommendations, most people chronically consume too little fiber[46]. Low fiber intake is one of the highest-ranked dietary risk factors globally[47]. Healthful plant-rich diets, which are naturally rich in fiber and unsaturated fat, have been demonstrated to be associated with reduced risk of cardiovascular disease, type 2 diabetes and certain cancers[48,49,50]. These diseases are the leading cause of illness and death globally[51]. Co-benefits of plant-rich diets include reducing GHG emissions, conserving biodiversity and improving long-term human health outcomes[52].

[38] IPCC, "Special Report on Climate Change, Desertification, Land Degradation, Sustainable Land Management, Food Security, and Greenhouse gas fluxes in Terrestrial Ecosystems", IPCC, 2019. www.ipcc.ch/site/assets/uploads/sites/4/2021/07/210714-IPCCJ7230-SRCCL-Complete-BOOK-HRES.pdf. (Accessed Aug 2025).

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Oatly Action

By uniting scientific integrity with courageous ambition, and by harnessing the power of oats through our products, our people, and our voice, we aim to reshape the food system in ways that allow real progress towards sustainable healthy diets. The scientific evidence supports our mission. It's time to reimagine nutrition as a driver of both human and planetary health, and take bold, coordinated action to transform and future proof the food system.

We fully recognize the complexity of the challenges ahead and the gaps that still exist. But rather than letting that hold us back, we see it as a call to action. We aspire to ignite the next nutrition transition, one that improves the health of people and the planet for current and future generations.

Our Nutrition Commitment

We commit to having an oat-based dairy portfolio that both makes it easy for people to swap from cow's milk to Oatly products and is a mechanism for positive change in human and planetary health. We use our voice, actions and products to engage key stakeholders in driving societal change and accelerating the shift to a plant-centric food system.

Oatly products

Our products are mechanisms for positive change. We will translate scientific and technical breakthroughs into innovation actions that enhance the nutritional function, affordability and performance of our products, driving conversion from cow's dairy to Oatly, accelerating the mainstream adoption of oat dairy for the benefit of human and planetary health.

Our products are shaped by the expertise of registered dieticians and nutrition experts working closely together with food innovators and gastronomists. We create impact by evolving our products through health driven innovation, as well as championing the health benefits of oats, oat dairy and plant-rich diets.

In line with our commitment, we will focus on:

Goal, ambition or aspiration	**Targets**
Goal: We drive progress. FUTURE PROOF OUR OAT DAIRY PORTFOLIO Through our mastery of oats, oat-base technology and oat-based dairy, we will harness the full nutritional potential of oats to evolve and futureproof a globally trusted portfolio of oat-based drinks & foods.	By 2030, 95% of volume sales are from nutritious products according to an externally endorsed nutrient profile model*, increasing to 98% by 2035 (baseline 2025). By 2030, boost the fiber content delivered through sold products by 30%, increasing to 50% by 2035 (kg fiber sold, baseline 2025). *The methodology behind these targets is still work in progress and needs to be validated by external partners. We commit to reviewing our portfolio annually, focusing on areas such as: - Monitoring of progress toward nutrition-related commitments (fiber, fortification, sugar levels)

	- Analysis of nutrition impact following validation of appropriate methodology.

Nutrition Champions

Over the last few years, we have built a strong community of suppliers, consumers and influential partners, and we will continue to proactively engage with them to champion science-backed facts about oats, Oatly products and healthful plant-rich diets. We will also counter harmful misinformation and polarization with robust and impartial scientific evidence.

In line with our commitment, we will focus on:

Goal, ambition or aspiration	**Targets**
AMBITION: We lead together with others. CHAMPION THE BENEFITS OF PLANT-RICH DIETS We promote a culture of transparency and respectful dialogue. We will use our voice to champion robust science-based knowledge of oats, oat dairy and healthy sustainable diets, counter misinformation and polarization that hampers food system transformation.	Roll out an active and targeted program of dissemination, communication and engagement on the science-backed nutritional attributes of Oatly products and plant-rich diets, including strengthening nutrition messaging in marketing and campaigns. Maintain strong relationships with Healthcare Professionals (HCPs) such as Registered Dieticians, Physicians, and Nutrition Professionals. This will include dissemination via our dedicated Health Professionals website.
AMBITION: We lead together with others. DRIVE PARTNERSHIPS THAT ACCELERATE THE SHIFT TO PLANT-RICH DIETS Through collective leadership with aligned brands, associations and NGOs, our ambition champion science-based decision making and accelerate the societal shift that make plant-rich diets, and oat drinks within them, the norm.	Co-create culturally-relevant activities to make it easier for people to make the shift to healthful plant-rich diets, for example through culinary experiences and educational events. Collectively call society to act by promoting plant-rich diets and addressing misinformation.

The Power of Oats

Oats are our main raw material, and therefore activities focusing on oats cut across multiple impact areas. In nutrition, we want to build on our roots to remain leaders in nutritional aspects of oats and oat dairy. We want to support the transition towards a plant-centric food system and we believe that oats can be a springboard for further advancement in food system transformation.

In line with our commitment, we will focus on:

Goal, ambition or aspiration	**Targets**
AMBITION: We lead together with others. WE LEAD IN OAT SCIENCE AND TECHNOLOGY	Develop a 10-year road map for oat R&D including prioritised research areas with a strong focus on elucidating the relationship between oat production

Through leading research, innovation and scientific advocacy, we will advance scientific understanding of the nutritional potential of oats and oat drinks.	and consumption with human and planetary health outcomes. Initiate long term research to understand how regenerative farming practices can impact nutrition outcomes. Actively disseminate research evidence, share data and position papers with external stakeholders including researchers, consumers and policy makers to support science-based decision making. This may include publication of: • Peer-reviewed studies on sustainable nutrition. • Position papers and policy briefs for policy consultations or regulatory bodies. • Thought leadership pieces on key sustainable nutrition topics. • Oral presentations to key audiences.
AMBITION: We lead together with others. WE WORK WITH OTHERS TO CEMENT OAT'S ROLE AS A STRATEGIC CROP OF CHOICE FOR HUMAN NUTRITION We use our knowledge and expertise to promote R&D programs that support the transition towards regenerative and sustainable plant-centric food systems that include oats.	Where relevant, establish strategic partnerships and advisory groups with research organisations and key stakeholders (oat breeders, growers & processors, food companies, retailers, consumer groups) that ultimately lead to an increase in sustainable oat production and consumption. Advocate to promote public R&D funding to focus on sustainable agricultural and food innovations, with specific emphasis on nutrition and plant-rich diets. Contribute to scientific advisory panels or expert working groups to address gaps in knowledge and practice.

Policy and Society

It is time to put human and planetary health as key drivers in policy and decision making. At Oatly, we use influence with purpose. We aspire to use Oatly's voice, scientific knowledge and expertise, partnerships and advocacy to challenge outdated norms, break down regulatory barriers and push for market conditions to enable the wide adoption of plant-rich diets.

Real change happens when people come together. By standing alongside and empowering activists, businesses, policymakers, researchers, healthcare professionals, farmers and consumers, we amplify a movement that ignites the societal change needed to transform the food system into one that benefits human and planetary health for the current and generations to come.

In line with our commitment, we will focus on:

Goal, ambition or aspiration	**Targets**
ASPIRATION: We work to ignite change. WE PUSH FOR NUTRITION TO BE A KEY DRIVER IN POLICY MAKING We advocate for evidence-based policies, regulations, marketing standards, nutrition recommendations and food based dietary guidelines that facilitate the transition toward a plant-centric food system. We use our voice, actions and products to engage key stakeholders in driving societal change and accelerating the shift to a plant-centric food system.	By 2030, secure policy advancements in policy areas that align with our business mission including the following nutrition-relevant policy areas: - National food and nutrition strategies and policies that are guided by public health needs and encourage healthy, sustainable plant-rich diets. - Definitions, denominations and labelling of plant-based foods that are clear to consumers and contribute to market conditions that make plant-based foods and drinks accessible to all. - Dietary guidelines that are guided by scientific evidence and recommend plant-based drinks, including oat drinks. - Taxation, subsidy programmes, promotion and/or other incentives that are fair, progressive, inclusive, and make plant-based foods and drinks accessible to all. - Public sector food procurement policies and systems that ensure access to plant-based options, including oat drinks. This includes School food and drink regulations and subsidies programmes.
ASPIRATION: We work to ignite change. BUILD PARTNERSHIPS AND COALITIONS TO IGNITE SOCIETAL CHANGE We partner with NGOs, academia, professional health organizations, and industry coalitions to push for food system reform and break down barriers.	Support joint advocacy initiatives (e.g. co-signed letters, shared research, or public campaigns) and maintain active participation in coalitions and alliances focused on food system reform and plant-based advocacy.

Spheres of Influence

The 'spheres of influence' conceptual framework* developed by Futerra and Oxford net zero for companies to define their contribution to societal net zero also works to define contribution to the next nutrition transition, in addition to climate. We used the framework when building our nutrition pathway as we believe that we can and must take our responsibility to influence the nutrition transition beyond Oatly's own products, employees and suppliers.

Within the Product Sphere of influence, we drive conversion from cow's milk to Oatly, and in doing so can impact nutrient intake with beneficial consequences for public health (e.g. bridge fiber gap, avoid saturated fats).

Within the Portfolio Sphere, we focus on our ability to drive change within and around the world of oats through research and advocacy, as well as through strategic collaborations with other change makers.

Finally, within the Policy and Public Engagement Sphere, we work for nutrition to become a strong pillar in policy making. By challenging outdated policies and regulations and advocating for science-based reforms that address pressing public health and environmental challenges, we can accelerate the shift towards plant-centric food systems and ignite societal change to make healthful plant-rich diets the norm.

*Read more about the framework on page 10.

Governance

The foundation for achieving our targets are our values, culture and committed leadership and following good business ethics and reporting transparently on our progress.

Who is responsible?

Our sustainability program is developed and managed by our chief executive officer and our Sustainability Leadership Team, which work closely together to develop our sustainability programs, practices and goals in conjunction with our other business leaders — and these form the basis of our embedded approach to sustainability at our company — with ultimate oversight from our board of directors.

How we track our progress

The Oatly sustainability reporting process focuses on the most material sustainability areas for Oatly and the impact Oatly has on people and the planet and vice versa. We assess stakeholder expectations and present this information in our annual sustainability report.

Fine Print Legal Disclaimer:

This plan is provided for informational purposes only and the plan and commitments that we make herein are subject to the qualifications and disclaimers contained herein and, on our website, which should be read in conjunction with this disclaimer. This plan also contains forward-looking statements regarding our future business expectations and objectives and our environmental, social and governance goals. All statements in this plan that do not relate exclusively to matters of historical fact should be considered forward-looking statements and such forward-looking statements involve risks, uncertainties, subjective judgment, and analysis that reflects our expectations. Actual results may differ materially from the results anticipated depending on a variety of important factors, including without limitation the risks detailed in our filings with the U.S. Securities and Exchange Commission. Relatedly, there is no guarantee that we will achieve our environmental, social and governance goals nor that such goals, whether or not those goals are met, will ultimately have a positive impact, either on particular environmental, social and governance matters or as a whole.

In relation to the information and data contained in this plan, we are (wholly or in part) reliant on public sources of information and information provided by our suppliers and business partners. Further, our ability to verify such information (whether now, in the past, or in the future) may be limited by the integrity of the underlying data available at the relevant point in time and the status and evolution of global, supranational and national laws, guidelines, methodologies, best practices and regulations in relation to the tracking and provision of such data, and we may not update historical information for changes in our practices, approaches or methodology. Therefore, such information is provided on a reasonable efforts basis and is subject to change.

Further, this plan may contain information that is not necessarily "material" under federal securities law for U.S. Securities and Exchange Commission reporting purposes, but it is informed by various environmental, social and governance standards and frameworks and the interest of various stakeholders.

APPENDIX A: Becoming a Climate Solutions Company

Oatly — a qualified climate solutions company

Oatly has qualified as a climate solutions company under the Climate Solutions Framework (CSF). This framework was created by the Exponential Roadmap Initiative (ERI), in collaboration with Oxford Net Zero and experts from business, NGOs and finance.

The CSF sets out criteria anchored in science for defining climate solution products and services, and also climate solutions companies.

What did Oatly have to do to be recognized as a climate solution company?

As a first step, Oatly had to collect data proving that we have climate solutions products, including, among other things, that Oatly products have on average at least a 50% lower climate footprint than the "milk" category - that being the average of both cow's milk and plant-based drinks dairy alternatives currently in the market. ERI calls this the "Business as Usual" scenario or "BAU."

To estimate the climate footprint of the BAU, we had to first get data about the drink types in the "milk" category and their share in the market that make up for approximately 90% of our revenue (e.g., how much is cow's milk, how much is oat-based drink, how much is almond drink, etc.). We collected this data from market insight agencies and retailers, such as Nielsen, IRI/Circana, ICA and Euromonitor. Next, we estimated the climate footprint of each of those drinks and combine it with their share in each market to estimate the climate footprint of the BAU. For our products and their dairy from cows counterpart, we performed ISO 14040/44 conformant testing and critically reviewed LCAs[53]; for other drink types, we assume their impact is similar to Oatly's footprint, as plant-based drinks have relatively small variations between them compared with cow's milk.[54]

Apart from that, we also had to prove that Oatly products don't pose significant harm to other environmental areas such as biodiversity, marine resources, extending the life of fossil fuels, creating pollution, etc. You can read more about ALL the requirements of the ERI CSF here.

Going from having climate solutions products to being a climate solutions company required a few more steps! These included, apart from proving that 90% of our revenue is from climate solutions products[55], the following:

- The company has both a public near-term GHG target and a net-zero target[56] covering all emissions (scopes 1, 2 and 3), and also a transition plan, and discloses progress annually.
- The company is working more broadly to transform its sector.

[53] https://blonksustainability.nl/news/LCAs-Oatly
[54] https://ourworldindata.org/environmental-impact-milks
[55] A climate solution is defined as a product or service that contributes to emissions reductions at a global level by producing significantly lower emissions per functional unit than current market options. Production and consumption of climate solutions is compatible with the global 1.5°C ambition and, when established options are replaced, will accelerate the transition towards a net zero carbon economy.
[56] A net zero target is defined as a long-term ghg target aligned with a global 1.5C pathway to net zero, to reach residual emissions by 2050, with counterbalancing of residual emissions by durable CO2 removals.